

Following is a summary of important business news published in the leading daily newspapers of Bangladesh. For the complete news, please follow the online link given below each news. Please note that the news summary doesn't reflect the opinion of BRAC EPL Stock Brokerage Limited.

Important News Snippets

Highest ever 153 daily Covid deaths, NTAC seeks one more week of lockdown

- Bangladesh recorded the highest 153 single-day deaths from Covid-19 on Sunday since the virus was first detected in the country in March 2020., taking the death toll to 15,065. Besides, it is the eighth consecutive day that the country reported over 100 deaths from Covid-19. Khulna division, the new Covid-19 hotspot in the country, counted about 51 deaths, followed by Dhaka with 46 deaths, 15 each in Chittagong and Rangpur divisions, Rajshahi 12, Mymensingh nine, Barisal three, and Sylhet two.
- In the meantime, another 8,661 individuals were found positive for the infection from testing a total of 29,879 samples, the DGHS data showed. The positivity rate also increased to 28.99%, up from 27.39% a day ago, while the overall positivity rate stood at 14.05%. The overall death rate was hovering around at 1.59%.
- The total number of coronavirus infected people reached 944,917 of whom 88.3% or 833,897 people recovered. Among the 153 deceased on the day, 96 were men and 57 were women. Of them, 70 were above 60 years old, 45 between 51-60, 24 between 41-50, 11 between 31-40, and three were between 21-30.
- The National Technical Advisory Committee (NTAC) on Covid-19 has recommended continuation of the ongoing countrywide lockdown for one more week as both spread and fatalities from the virus continued to surge across the country. Earlier, the Committee suggested a two-week countrywide 'shutdown' but the government imposed a week-long 'strict lockdown' from July 01, which is scheduled to end on Wednesday midnight.

<https://today.thefinancialexpress.com.bd/first-page/record-daily-deaths-at-153-1625421698>

<https://www.tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/bangladesh-reports-highest-ever-153-covid-19-deaths>

<https://today.thefinancialexpress.com.bd/first-page/ntac-seeks-one-more-week-of-lockdown-1625421778>

Tax revenue posts 17.0% growth but misses target

- The National Board of Revenue (NBR) managed to collect BDT 2.6 trillion in the FY 2020-21 against BDT 2.2 trillion in the previous FY. However, the NBR missed the revised revenue collection target (BDT 3.0 trillion) by BDT 450 billion and the original target (BDT 3.3 trillion) by BDT 740 billion during the last FY.
- The income tax wing collected BDT 850 billion, VAT wing BDT 940 billion and customs wing BDT 770 billion during the period under review. In FY 21, the VAT collection target was BDT 1.10 trillion, followed by income tax BDT 970 billion and customs duty BDT 940 billion.
- Despite economic slowdown due to the Covid-19 pandemic, revenue collection posted a 17.0% growth in the just concluded fiscal year (FY) over that of the previous FY thanks to contribution of the large corporate taxpayers. Tax collection from the LTU grew by 15.4% in FY 21.
- The opportunity to legalize the undisclosed income made a significant contribution to the revenue collection in the last FY. A number of potential investors whitened money by enhancing the size of the paid-up capital of different projects without legal complexities. Some investors from the readymade garment sector, car business, land and other large ventures also whitened their money under the scheme. Although 20% of the undisclosed money holders are large taxpayers, they contributed 80% of the taxes under the scheme.

<https://today.thefinancialexpress.com.bd/first-page/tax-revenue-posts-17pc-growth-1625421606>

<https://www.newagebd.net/article/142851/tax-receipt-grows-in-fy21-but-misses-target>

July payment to ACU to bring reserve below USD 45.0 billion

- Bangladesh Bank's reserve would fall below USD 45.0 billion in the next several days as the central bank is scheduled to pay Bangladesh's import bills to eight Asian countries through the Asian Clearing Union. According to a BB senior official, ACU payment in the last time was made by May 10 and this time the payment would be made for the month of May and June by July 10.
- ACU, headquartered in Iran, would generate Bangladesh's import bills with its member states today where it would specify the exact date of payment. This time the country's ACU payments would be around USD 1.55 billion for the last two months, the BB official said. After the payments of ACU, the reserve of Bangladesh Bank would drop to around USD 44.5 billion.
- Bangladesh's reserve reached an all-time high at USD 46.1 billion on June 29, riding on heavy inflow of remittance against slow

import payments. Inflow of remittance in FY21, excluding the last six days, reached a record high of USD 24.4 billion. So far, the inflow of remittance in FY21 has been 34.2% or USD 6.2 billion higher than the USD 18.2 billion in remittance earnings in FY20. The reserve has risen by USD 13.0 billion in a span of 15 months since the Covid-19 outbreak in the country to exceed USD 46.0 billion.

- Apart from the Bangladesh Bank, Royal Monetary Authority of Bhutan, Reserve Bank of India, Central Bank of the Islamic Republic of Iran, Maldives Monetary Authority, Central Bank of Myanmar, Nepal Rastra Bank, State Bank of Pakistan and Central Bank of Sri Lanka are the members of ACU.

- Of the eight countries, Bangladesh's import from India was the highest. Bangladesh Bank data showed that Bangladesh's import from India was worth BDT 491.2 billion in FY20 against India's imports worth BDT 73.4 billion from Bangladesh, representing around one-seventh of India's export to Bangladesh. Apart from the ACU members, China earns highest from Bangladesh. In FY20, the country earned BDT 974 billion or USD 11,490 million from Bangladesh against exports.

<https://www.newagebd.net/article/142850/july-payment-to-acu-to-bring-reserve-below-45b>

RMG export exceeds FY21 target

- Bangladesh's apparel export has surpassed the USD 30.8 billion target set by the Export Promotion Bureau (EPB) for the immediate past FY21, say sources at the garment exporters association. In the fiscal 2020-2021, the country exported apparel items amounting to USD 30.9 billion – which is 10.0% higher than in the previous year.

- RMG exports started plummeting drastically since the Covid-19 outbreak in Bangladesh in March last year. The garment sector contributes about 84.0% to Bangladesh's overall exports. Against a USD 38.2 billion target, apparel export in the 2019-20 fiscal year declined to USD 27.95 billion – that is 18.0% less than the year. In the immediate past 2020-21 fiscal year, the export grew by 10.0% to USD 30.9 billion. As per the BGMEA, the annual growth rate, however, is around 16.0%.

- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) hopes the export volume in the 2021-22 fiscal year might be USD 33.7 billion as the Association President Faruque Hassan recently told The Business Standard that the export might cross the pre-pandemic 2018-19 volume.

<https://www.tbsnews.net/economy/rmg/rmg-export-exceeds-fy21-target-270364>

Cotton price hike strains RMG makers

- The price of cotton was 58-60 cents per pound before the pandemic last year which is now USD 1.2 per pound. Fabric has become costlier as cotton prices almost doubled in a year, but local dressmakers say they cannot revise their prices upward accordingly, keeping in view the low demand in the market and the decline in people's purchasing capacity in these pandemic days.

- According to industry insiders, cotton production is predicted to be on the decline next year. The price of the raw material of yarn is less likely to come down in the future. Rather, it may increase further. According to an industry insider, there are 5,000 companies across the country in this supply chain, including small and big fashion houses and designers. The annual turnover of these companies is BDT 80-100 billion. But their sales have dropped by more than half since the pandemic began.

<https://www.tbsnews.net/economy/rmg/cotton-price-hike-strains-rmg-makers-270361>

Bangladesh Bank (BB) offers special loan facility for CMSME sector

- The Bangladesh Bank (BB) Sunday offered a special loan facility for the cottage, micro, and Small and Medium Enterprises (CMSMEs) sector affected by Novel Coronavirus (Covid-19) pandemic. Under the special facility, cottage, micro and small entrepreneurs will get term loan or investment facility side by side the working capital loan or investment facility, as per a BB circular issued Sunday. In this case, the cottage, micro and small entrepreneurs will get one year interest or profit subsidy.

- As per the previous rules, medium enterprises will get working capital loan or investment facility from the incentive package, announced by the government, and in that case, the benefit of interest subsidy will also be valid for one year. The central bank has offered the special loan facility for encouraging the CMSMEs to borrow under the incentive package of BDT 200 billion. However, till 17 June this year BDT 149.1 billion has been distributed from this package. A total of 94,989 customers has availed loans from the package, including 5,276 women. The package was launched in April last year. The deadline is this June 30. Despite several extensions, the implementation of the package is only 75.0%.

<https://www.tbsnews.net/economy/banking/bb-offers-special-loan-facility-cmsme-sector-270322>

<https://today.thefinancialexpress.com.bd/last-page/bb-offers-special-loan-facility-for-cmsme-sector-1625422354>

<https://www.newagebd.net/article/142849/entrepreneurs-of-cottage-micro-small-business-to-get-term-loan>

Fund raising through IPOs hits a decade high

- Private companies have offloaded primary shares worth BDT 16.1 billion in the just concluded fiscal year, the highest amount in more than a decade, amid virus-induced sluggish economic activities. With the latest one of Baraka Patenga Power, the country's capital market witnessed 16 initial public offerings (IPOs) in the fiscal year (FY) 2020-2021.
- Most part of the funds is meant for business expansion, repayment of loans and meeting the working capital requirements. The market also has seen the entry of the largest ever IPO - Robi Axiata-- during the outgoing fiscal year.
- However, fund raising through IPOs hit an 11-year low in the FY 2019-20 due to fierce criticisms over poor IPO approval by the then securities commission and market closure for 66 days (March 26 to May 30) due to coronavirus outbreak. Only two companies -- Ring Shine Textiles and ADN Telecom and one bond Ashuganj Power Station Company--- raised an aggregate amount of BDT 3.07 billion in the FY 2019-20, according to the data available with the Dhaka Stock Exchange (DSE).

<https://today.thefinancialexpress.com.bd/stock-corporate/fund-raising-through-ipos-hits-a-decade-high-1625416086>

Dhaka Bank to double investment in retail and SME sectors

- Dhaka Bank Limited has planned to focus its financing in retail and small and medium enterprises (SME) for minimising risk and diversifying portfolios by 2025. Under the plans, the investment in retail and SME will be reached at 40% of its total loans and advances within the next four years from the existing level of 20.0%.
- The leading PCB is also working continuously to develop digital banking instead of the existing 'brick and mortar' one for providing world-class services to its customers. As part of the moves, Dhaka Bank has introduced one of the most prominent mobile banking apps 'DBL Go,' Internet Banking, Bills to Cash, Trade Cloud, Ezy Bank and many other tech-based services for its customers, who are being highly benefited from these services.
- According to the CEO, in case of short-term strategy, Dhaka Bank is monitoring the overall business segments both national and international and trying to move with the best tide so that we can reach our destination up and top. The Bank has already built a large network of correspondence banking with almost all the multilateral agencies and hundreds of correspondents across the world. The leading PCB handles around 3.5% of the country's foreign trade having almost all the large business houses in the portfolio.

<https://today.thefinancialexpress.com.bd/stock-corporate/dhaka-bank-to-double-investment-in-retail-and-sme-sectors-1625416155>
<https://www.thedailystar.net/business/economy/interview/news/dhaka-bank-rides-tech-make-retail-sme-banking-vibrant-2124277>

IDRA sets new office hours for insurers

- Head offices of all life and non-life insurers and their key branches will remain open from 10:00am to 2:00pm daily until July 07, the insurance regulator said in a circular issued on Sunday.

The office of the Insurance Development Regulatory Authority (IDRA) will also remain open as per the new timings for the lockdown period.

<https://today.thefinancialexpress.com.bd/first-page/idra-sets-new-office-hours-for-insurers-1625421905>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 75.02	USD 26.50	54.62%
Crude Oil (Brent)*	USD 76.01	USD 24.21	46.74%
Gold Spot*	USD 1,785.09	(USD 110.01)	-5.80%
DSEX	6,150.48	748.41	13.85%
S&P 500	4,352.34	596.27	15.87%
FTSE 100	7,123.27	662.75	10.26%
BSE SENSEX	52,484.67	4,733.34	9.91%
KSE-100	47,686.18	3,930.80	8.98%
CSEALL	7,746.56	972.34	14.35%

Exchange Rates

USD 1 = BDT 84.77*
 GBP 1 = BDT 117.19*
 EUR 1 = BDT 100.54*
 INR 1 = BDT 1.14*

*Currencies are taken from XE Currency Converter and Commodities are taken from Bloomberg.

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BRAC EPL Stock Brokerage Limited

Research

Ayaz Mahmud, CFA	Head of Research	ayaz.mahmud@bracepl.com	01708 805 221
Anika Mafiz	Research Analyst	anika.mafiz@bracepl.com	01708 805 206
Sadman Sakib	Research Analyst	sadman.sakib@bracepl.com	01730 727 939
Md Mahirul Quddus	Research Associate	mmahirul.quddus@bracepl.com	01709 636 546

International Trade and Sales

Ahsanur Rahman Bappi	Chief Executive Officer	bappi@bracepl.com	01730 357 991
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BRAC EPL Research www.bracepl.com

Symphony, Plot No.: S.E.(F) – 9(3rd Floor), Road No.: 142
 Gulshan Avenue, Dhaka – 1212
 Phone: + (880)-2-9852446-50
 Fax: + (880)-2-9852451-52
 E-Mail: research@bracepl.com